

## DISCUSSION NOTES

### **EGPR / Implementing AB 857 Regional Dialogue – Greater Sacramento Area**

With the Governor's Office of Planning & Research

Sponsored by Valley Vision and the California Policy Reform Network

July 16, 2003

#### **I. OPPORTUNITY: Implementing AB 857 and the EGPR**

- In the EGPR, OPR wants to identify what the state can do better, what it has been doing well, and what has to change in its institutions in order to effectively cooperate to promote state goals and policies, including the three priorities of AB 857.
- With this report, state departments will be held accountable to specific goals and policies, to communicate with each other, and to integrate their planning and actions, with approval of their capital spending and state functional plans dependent on their consistency with the EGPR, including the AB 857 priorities.
- The idea is to break down bureaucratic "silos" and work collaboratively. Conflict avoidance is a main goal, but AB 857 also directs that there be a conflict resolution process.
- OPR wants to develop goals that are general enough to touch all state agencies and encourage them to do their planning and budgeting in a new way.
- The EGPR is meant to impact the actions of state government agencies, not local governments. But, state decisions will affect the incentives and barriers to local government and give them direction.
- OPR plans to have a rough draft available at the end of September. It would be helpful to start sending ideas to them from the regions of California as soon as possible.

#### **II. WHAT WORKS: Examples of good practices in the Sacramento region**

- The Capitol Area Plan was a great example of cutting across department boundaries and bringing in creativity. Discussions went on for 4-5 years, but the structure was then routinized and put into establishment (CADA, etc.).

- The Capitol Area Development Authority (CADA) (<http://www.cadanet.org>) is a joint-use district that began as a partnership between the state and the City of Sacramento. This is a great model that can be looked at for other uses.
- Most mixed-use development and affordable housing development in the Sacramento region come from private-public partnerships. The characteristics of successful public-private partnerships are similar: they are voluntary (incentives); negotiable; flexible; spell out the rules, measurements, and results; and have incentives for success and disincentives for failure. Similarly, we need partnerships between levels of government that leverage the skills and resources of different agencies for something of mutual benefit.
- CADA loft development: The Agency insisted that the project go out for competitive builder bidding. This led to a more creative and efficient project.
- CALPERS building: There was real outreach to city and neighborhood, which resulted in a much more innovative development – it includes housing! The key here was a great project manager who not only met with the community but incorporated their input into her design. Additionally, buildings with people living there (such as CALPERS) are much easier and cheaper for the city to police.
- The 65th Street Transit Village study was a good example of cooperation. The city had a surplus site near a new transit center (light rail station). The bid accepted was not the lowest, but was much a smarter transit-oriented development. This process took a lot of negotiation.
  - ⇒ <http://www.cityofsacramento.org/planning/longrange/South%2065th%20Area%20Plan/s65home.html>
- Placer Legacy Project
  - ⇒ <http://www.placer.ca.gov/planning/legacy/legacy.htm>

### **III. IMPACT: State building and siting**

- The new Department of Education building is not a good example of all aspects of efficient sustainable development, even though it is energy efficient and in an urban area. The building only has space for offices (not mixed-use) and does not blend with the community (e.g., have space for after-hours meetings and activities). It also has a lot of parking instead of greater encouragement for transit. There was no outreach to the community as part of the building process. The result almost always comes down to the people involved in the project.

- State building plans should effectively meet all three of the AB 857 priorities, not just one or two. This means that just being in an infill area isn't enough if the jobs aren't located near housing and/or adequate transit.
- There is an incredible opportunity with the proposed CalTrans building in Marysville. This new building and workforce could really anchor the community's expansion. However, the department only wants to provide office space, when they could factor in nearby retail, and even housing. There are also opportunities for shared parking (especially for downtown events).
- When a department is talking about moving out of the urban core, we should think about building siting in relation to transit-oriented development. Putting a state agency on a rail line would absolutely energize that transit line. Departments building new facilities should commit to a goal of 70-75% of their employees using public transit.
- The state should learn from project managers who have done well, and nurture them. It is worth investing in them.
- In many cases, project managers can't make the right decision, because they have to get the cheapest bid. You don't save money in the long term by saving money in the short term. The state ought to be thinking that good, attractive design is more important.
- Are there rules in state code that give project managers excuses to avoid some of the EGPR goals? OPR or someone should go through state code carefully to identify the barriers to implementation.
- What is the process of soliciting local participation and local buy-in? Is there some way to motivate state managers and make them see the larger vision?
- One suggestion: give prizes to state projects that fulfill all of the goals, and recognize those that don't. We need more public and cheap incentives to change the way that grantmakers and managers do their work.
- Some of the problems in siting state buildings in Sacramento were caused by legislative oversight and the strings that the Legislature kept on General Services.
- One way the state could work with the local communities could be to make buildings available for public meeting after working hours.
- A big part of the lack of flexibility for state managers and employees is the fear of being criticized for going beyond their mandate. The state should support them in working with the locals on the best way to reach our goals.

- AB 857 doesn't specifically cover schools, but the EGPR can. It is possible to set a policy that state bond funds for school facilities will be allocated based on the three priorities and other goals.

#### **IV. CONSIDER THIS: Suggestions and concerns to keep in mind**

- In Sacramento, the state is an industry in itself – it is the largest employer, and it provides a lot of the leadership of the region. The state is also biggest property owner in downtown. Given that we're the State Capitol, the state has a role in every land-use and infrastructure issue.
- The funding provided by state to local governments and residents is as large a factor in affecting outcomes as direct state building decisions.
- Equity
  - ⇒ Other areas such as social service siting are also vital to people and equity issues.
  - ⇒ It would be helpful for the state to lay out what equity means in the EGPR. It is important to use full and robust data (What kind of jobs? What is the makeup of families in an area?) and take an integrative approach to equity.
  - ⇒ If working with locals means taking direction from city councils, low-income people will not be represented. We must look regionally because there is a competition among localities to exclude people who are not well-represented (this also includes the agricultural community). This fractured system of local government does not represent everyone and does not act regionally. Mixed-use development that makes sense may not look good to a local government.
- Collect stories of best practices outside of state activities. It is worth stealing from people who are doing interesting things:
  - ⇒ SACOG Blueprint Project – Why is the state not involved in this or even organizing it?
  - ⇒ Riverside integrated management plan (not yet implemented) – they are getting their minds around where you can build and not build.
- There are times where the broad goals of the state are in conflict with local goals.
  - ⇒ In current practice, one of the criteria for state affordable housing funding is that the land be cheap. We don't always want, and it is not always equitable or effective to build, affordable housing in the cheapest areas. It is important to keep communication open.

- ⇒ The procedure that Department of Finance uses to allocate funding to different regions is not direct and supportive of proper planning.
  - ⇒ You have to create the avenues for action to enforce these mandates. One way to incorporate this into the EGPR is to endorse regional visioning and planning – encourage and reward comprehensive collaborative efforts across boundaries, such as the Blueprint Project, with preference in funding.
  - ⇒ The dysfunction for most cities is that building affordable housing is a losing proposition. The incentives are not lined up to have them make those decisions the right way.
  - ⇒ Broad fiscal reforms that encourage localities and regions to further the state goals outlined in the EGPR are necessary.
  - ⇒ Housing Element requirements are another example of individual mandates conflicting. (HCD is establishing a Task Force about the Housing Element.)
  - ⇒ General Plans can sometimes be followed so closely that there evolves a tendency to use a “cookie-cutter” approach. Build in flexibility so that projects meet the site-specific needs of that situation. Developers can come up with new products that are innovative and produce affordable housing.
- Agricultural Preservation
    - ⇒ Open space and agricultural preservation go hand in hand. Right now there is an effort to permanently preserve ag land in the northern part of Sacramento. There is a role for the state to partner with localities in achieving buffer areas between communities and permanent status for open space. We are looking for a state partner to work with us.
    - ⇒ I appreciate seeing that one of the priorities is to protect agricultural resources and recognizing that they are part of our natural resources. The vast majority of our local ag land is in private hands – this is the open space in this region. We have to review state policies that are in direct conflict with preserving this space. For example, you must take into account the growth inducement of transportation infrastructure. What is encouraged by the location of transportation resources?
  - The state has to make decisions quickly. As a developer, I’m not going to wait for them (e.g., the fifteen-year wait for Department of Corrections office space). When you develop this EGPR, you have to come up with something that is clear and leads to decisions.
  - The system needs to have feedback, where you can evaluate the success of projects and determine what worked. Part of the implementation might be that

OPR does an annual review of some agencies to determine their compliance. This process could also include evaluation of the impact after a building is in use, 5-10 years after completion.

- **State and local-regional partnership is key.** Let's get the state working together with locals and make it part of the routine.
- Those of us working on the Blueprint Project have discovered that the context for smart growth really changes in different regions. State should flexibly support their needs and community values.
- Perhaps the Governor could review legislation through the AB 857 principles and accept or reject it based on them. This would make my life much easier as a local elected official, since state funds and rules would align with the goals even from legislative action. Perhaps information about a bill's compliance with the EGPR policies could be provided as part of the bill analysis.
- It is possible to question whether an entity is in good standing to apply for funding if they are not in compliance with the EGPR. Most of them might fail. However, you don't have to use a fixed standard – instead, ask if the entity showed an improvement. Move toward the concept of performance-based budgeting and governance.
- Look at how ABAG has broadened the definition of what a COG should do. Why should all of the different local jurisdictions try to comply with the same goals with separate plans and consultants?
- Incentives are not always enough. There has to be a “backstop” of mandate or penalty that says that you can't ignore these goals, there is a place for finding that goals haven't been met. This gives communities a basis to come out and participate.